UNITED NATIONS

DP

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.
GENERAL

DP/CRR/CPR/1
3 December 1999

ORIGINAL: ENGLISH

First regular session 2000
24-28 and 31 January 2000, New York
Item 3 of the provisional agenda
UNDP

COUNTRY COOPERATION FRAMEWORKS AND RELATED MATTERS

COUNTRY REVIEW REPORT FOR CHINA

CONTENTS

		Paragraphs	Page
	INTRODUCTION	1	2
I.	THE NATIONAL CONTEXT	2 - 3	2
II.	THE COUNTRY COOPERATION FRAMEWORK	4 - 6	2
III.	PROGRAMME PERFORMANCE	7 - 29	3
IV.	PROGRAMME MANAGEMENT	30 - 44	6
Annex.	Financial summary		8

00-22896 (E) 060100

INTRODUCTION

1. In accordance with the procedures set forth in the programming manual for the review of country cooperation frameworks (CCFs), a review of the CCF for China was held in April-May 1999, followed by two high-level consultative meetings in June and September. The present report contains a summary of the findings of the review. For programme performance and programme management the findings are grouped by thematic areas, for each of which are presented summaries of the conclusions, the corresponding recommendations and the action agreed on by UNDP and the Government through the China International Centre for Economic and Technical Exchanges (CICETE). The full text of the document is available in the language of submission from the Executive Board secretariat.

I. THE NATIONAL CONTEXT

2. The country review covers the fourth five-year programme of cooperation between UNDP and the People's Republic of China (1996-2000). The programme reflects China's keen interest to use intensively UNDP access to broad international experience. From the first programmes, which were based on technology transfer to the recent ones, which focus on sustainable human development, there has clearly been a strong sense of partnership with UNDP in trying to meet the needs of the country in this unique phase of its development. With the large development and investment programmes in China today, the financial contribution of UNDP can be only modest. Strategically, however, UNDP can still provide services not readily available from other sources, services that can make a distinct contribution to the many complex issues with which the country is faced in its deepening reform process.

3. At the time of formulation of the CCF, strategies for addressing poverty were poorly developed and many CCF focus areas were very sensitive (e.g., HIV/AIDS). Many of the themes included in the CCF were therefore of secondary interest in China, including poverty alleviation outside of designated areas, environmental protection, employment generation, support to women and governance. Accordingly, many UNDP activities have been focused on helping to move these issues to the top of the national agenda. On the basis of the rapid developments in China in this respect in recent years, there is now a need to adapt UNDP strategies and approaches to the future development needs of the country. The review has identified a number of ways to move in this direction.

II. THE COUNTRY COOPERATION FRAMEWORK

4. The current CCF represents a sound and overall effective effort of cooperation between UNDP and China and makes a relatively modest but in many ways strategic contribution to China's development. The programme shows the strong ownership and commitment of the Government of China and is implemented skilfully mainly through national executing agencies. There are good linkages to UNDP regional and subregional projects (e.g., integrated coastal management) but more opportunities should be sought. The UNDP office in China has been given responsibility for regional and subregional activities in North-East Asia, which should facilitate this process.

5. United Nations task forces, with broad participation, have been established in a number of thematic areas, e.g., poverty, gender and the environment to provide for substantial dialogue and coordination. The United Nations community has also initiated preparations for the common country assessment (CCA), leading to the United Nations Development Assistance Framework (UNDAF), which will also form the basis for the preparations of the next CCF for China.

6. The specific conclusions contained in the review, recommendations and related action agreed on by UNDP and the Government are summarized below.

III. PROGRAMME PERFORMANCE

7. The priority areas of the CCF are: (a) poverty elimination; (b) sustainable agriculture and food security; (c) macroeconomic and enterprise reform, employment and governance; (d) education, health and women's issues and (e) sustainable development, environment and energy. The total resource mobilization target for the CCF of $197 million, as shown in the annex, consisted of $76 million in regular resources and $121 million in other resources. In spite of potentially lower core funds, the overall resource situation is likely to exceed expectations thanks, for example, to increased government cost-sharing. The total amount spent by the end of 1998 is in the order of $104 million, or approximately half of available resources.

Poverty elimination

8. Conclusion. UNDP has given priority attention to this area, initiating a number of activities that have significantly influenced government policy. The concept of micro-finance was introduced when the methodologies were still at a pioneering stage, and has led to the Government's adopting it formally in late 1998, as part of its poverty alleviation programme. The review, however, found that direct interventions had been introduced without sufficient awareness of the appropriateness of such components in this particular area. Generally, the accent is on a number of downstream efforts in various parts of the country, which together may not achieve sufficient impact. A systematic participatory approach is required and more attention should be given to the need for technical support and social services for women participating in the credit schemes.

9. Recommendation. The work of the poverty alleviation projects should be consolidated under the guidance of the central support project, which was approved in 1998 to maximize impact on government policy and reorient the emphasis of new efforts on policy support at the highest practical levels of government and civil society with priority attention to integrated tax, welfare and economic development measures in the areas of micro-finance. A meeting should be organized in the near future to compare and evaluate the experience of UNDP and that of other parties in this field and concentrate further involvement largely on improving the policy environment taking into account the key role of rural banks and non-governmental organizations (NGOs).

10. Agreed action. UNDP and the Government agreed that an advisory board with the participation at the highest practical level of government and donor representatives will be established to ensure that all local-level poverty

projects have an impact on government policy. It has been agreed to pursue further the sustainability issue in micro-finance in close cooperation with national financial institutions, but to await the outcome of a micro-finance seminar organized by the Government, before deciding on the most relevant follow-up action.

Sustainable agriculture and food security

11. Conclusion. Good results have been achieved in this area in directing research results towards practical use by agricultural producers. However, the results are not always accessible to the poor, including women, who in many cases are the majority of the poor growers.

12. Recommendation. It is recommended that a joint evaluation of this group of projects be carried out, paying particular attention to the issue of accessibility and highlighting the achievements made.

13. Agreed action. UNDP and the Government agreed that cluster evaluations will be conducted and that efforts will be made to improve the application of research results and the linkages between agricultural activities and nutrition aspects. The increasing feminization of agriculture will be given special attention, with respect, for example with respect to land tenure rights.

Macroeconomic and enterprise reform, employment and governance

14. Conclusion. The review found a number of innovative and effective cooperation efforts in this area, e.g., strengthening the sustainable management of small towns, customs administration, state assets management and reform of the administrative structure. The individual projects were competently implemented. However, no particular programmatic framework was found.

15. Recommendation. UNDP has a distinct comparative advantage in the area of governance. The impartiality of UNDP and its access to broad international experience are essential elements in this strategic area. It is therefore recommended that this become a leading area in the next CCF, applied across all other areas, with due focus to equity and sustainable development.

16. Agreed action. UNDP and the Government have agreed to make governance the leading area in future cooperation. The Government's priority reform strategy to govern the State by law will be supported and possible related interventions in the judiciary system will be identified. In addition, UNDP will, on the one hand, focus on micro-enterprises and self-employment for laid-off workers, especially women, while, on the other hand, supporting improvement of the social security system, including health and unemployment insurance.

Education, health (HIV/AIDS) and women

17. Conclusion. This area includes useful projects in support of women's education (especially that of rural girls) in outlying provinces and in health insurance, but many projects are too small to achieve much impact. Nevertheless, projects designed specifically to address women's issues are included in the CCF for the first time. A number of projects share the overall goal of enhancing the status of women and the participation of women in economic

and political processes have already produced interesting results. The HIV/AIDS project has been active in sensitizing leaders at the central provincial and municipal levels to the dangers of the epidemic and in training staff from a wide variety of organizations. Renewed efforts are needed to mitigate successfully the spread of the virus.

18. Recommendation. A more programmatic approach should be initiated for poverty issues from the perspective of social policy. In addition, more concentrated and operational attention should be given to gender matters in all elements of the programme.

19. Agreed action. UNDP and the Government have agreed that gender is to become a cross-cutting concern of all UNDP projects in China. The Government's strategy to provide education to all will be supported, with a focus on distance education, to bring education facilities to poor areas and particularly to girls and women. The possibility of assisting in improving education curricula will be considered, including matters relating to the transition towards a socialist market economy and good governance concepts.

Sustainable environment and energy

20. Conclusion. Good results have been achieved in this area. Further impact can be created by bringing the different efforts together within a common framework based on the country's urgent environmental priorities.

21. Recommendation. It was recommended that efforts be made to integrate further the large number of projects in this area into a programmable framework, with close links to other areas such as governance and poverty alleviation.

22. Agreed action. UNDP will continue to support the Government's efforts to achieve sustainable development by integrating environmental concerns into the economic development planning framework (tenth five-year plan, Agenda 21) through governance-focused actions and policy refinement, where synergy between projects and between sectors will also be demonstrated.

Partnerships

23. Conclusion. Partnerships are increasingly part of the UNDP profile in China and have been initiated specifically with Australia, Finland, the Netherlands Sweden, Switzerland and the European Union. The role of UNDP in coordination is also well recognized by multilateral as well as by bilateral partners. The development community is particularly interested in UNDP as a coordinator in specific areas, such as HIV/AIDS. UNDP access to decision-makers is an important element in this respect. Relations with the Bretton Woods institutions and, increasingly, with the Asian Development Bank are active. Three projects were undertaken together with International Monetary Fund and interaction with the World Bank is frequent.

24. A noteworthy effort is the joint dialogue of the World Bank and UNDP with the Government's Leading Group on Poverty Elimination, which was initiated with a joint poverty study in 1992 and followed up by a joint poverty study in 1998. Partnerships with NGOs have been undertaken in several projects and cooperation

with the private sector is understandably still limited but is being actively explored.

25. Recommendation. The review team found that the UNDP programme would benefit from further strengthening of its overall cooperation with civil society, including NGOs and the private sector (through participatory processes). The team suggested that possibilities for joint projects be further explored, including with the World Bank.

26. Agreed action. UNDP and the Government agree that the steps must be taken in the CCF to improve ways of involving civil society and the private sector (including new and strengthened Chinese volunteer agencies) and to explore further the opportunities for joint projects.

Advocacy

27. Conclusion. In the area of advocacy, there has been uniform praise from both multilateral and bilateral sources as well as from the Government for the 1997 national human development report (NHDR) for China. The UNDP compendia on foreign aid for poverty alleviation, environment, governance, agriculture and gender are also being put to good use by the development community.

28. Recommendation. The review team recommended that UNDP further strengthen its efforts in terms of advocacy, building, for instance, on a widely distributed NHDR through seminars and other forums.

29. Agreed action. Both UNDP and the Government acknowledge the new and growing function of UNDP in advocacy and have agreed that in the future, tools such as the NHDR will be further utilized as a basis for dialogue with the Government and other partners.

IV. PROGRAMME MANAGEMENT

Programme approach

30. Conclusion. The review team found that the CCF contains many effective projects. However, they ought to be part of a well-defined programme approach targeted to the country's main development objectives.

31. Recommendation. Internal cohesion should be improved in the next CCF and, where possible, in the current one, by establishing more programmatic linkages among projects and the programme's main components, starting from the formulation stage.

32. Agreed action. UNDP and the Government concur and stress that the role of UNDP is to improve the programming methodology, including a strengthened programmatic framework approach. Staff from CICETE and the UNDP country office will be trained in order to enhance staff focus on programming for results and impact.

National execution

33. Conclusion. The recently completed national execution manual has provided clear definitions of responsibility between UNDP, CICETE and the implementing entities at the central and provincial levels. The Government's commitment to and ownership of the UNDP programme through its executing agencies are unique and impressive.

34. Recommendation. It is recommended that the responsibilities of the parties involved in implementation be further clarified and the possibility of steadily increasing the responsibilities of those agencies (central or local) with whom projects are located be explored with CICETE.

35. Agreed action. UNDP and the Government have agreed that the emerging roles of UNDP and CICETE will be further defined and strengthened, and that programme implementation and effective, cost-efficient programme management will be further delegated by CICETE.

Monitoring and evaluation

36. Conclusion. In the area of monitoring and evaluation, both UNDP and CICETE could benefit from further strengthening of their capability for deeper analysis of objectives and results.

37. Recommendation. It is recommended that evaluations be accelerated by combining programmes in related areas and that project monitoring be focused on quality, outcomes and results.

38. Agreed action. UNDP and the Government have agreed that in order to improve work planning and achievement reporting, training will be provided. Likewise, results-oriented review and reporting systems will be developed and fed into subsequent revision of the strategic results framework.

Resource mobilization

39. Conclusion. Good results have been achieved in mobilizing resources from both the Government and international development partners, particularly for environment projects. International development organizations have shown confidence in the competence of UNDP to carry out projects. Bilateral partners are aware of the unique and innovative character of a number of projects funded from the target for resources assigned from the core (TRAC) in particular and several have provided funds for joint activities.

40. Recommendation. To facilitate further cooperation, UNDP could tighten its reporting and simplify its administrative procedures with donor organizations and give public recognition to donor contributions.

41. Agreed action. In close collaboration with CICETE, resource mobilization efforts will be further strengthened to leverage cost-sharing for most new projects. The only exception will be key groundbreaking actions. The Government will also consider the possibility of further programme cost-sharing.

Annex

Financial summary

Country: China

CCF period: 1996-2000 (Resource mobilization target: $197 million)

Period covered by the country review: January 1996-March 1999

REGULAR RESOURCES	Amount assigned for the CCF[a]	Amount planned for the period under review	Estimated expenditure for the period under review
	(thousands of US dollars)		
Estimated IPF carryover	22 542	22 542	22 542
TRAC 1.1.1 and TRAC 1.1.2 (71 per cent of TRAC 1.1.1)	53 981	40 486	40 085
TRAC 1.1.3	-	200	73
SPPD/STS	3 428	2 609	2 394
Subtotal	79 951	65 837	65 094
OTHER RESOURCES	**Amount targeted for the CCF[a]**	**Amount mobilized for the period under review**	**Estimated expenditure for the period under review**
	(thousands of US dollars)		
Government cost-sharing	16 250	33 406	19 172
Third-party cost-sharing	9 750	2 711	2 052
Sustainable development funds			
GEF	32 500	5 517	4 696
Capacity 21	650	565	276
Montreal Protocol	19 500	38 627	22 627
Funds, trust funds and other			
UNIFEM	-	75	76
Subtotal	78 650	80 901	48 899
GRAND TOTAL	158 601	146 738	113 993

[a] Prorated for the period under review.